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T H E S H E E P A N D L A M B S I T U A T I O N

Summary

Prices of spring lambs from late April through June probably will average lower than a year earlier, the Bureau of Agricultural Economics states. Though total slaughter supplies of sheep and lambs during the late spring may be no larger this year than last, consumer demand for meats will be weaker and prices of pelts lower than a year earlier - unless there is a marked upturn in industrial activity and employment.

The early spring lamb crop in the principal early lambing states is at least 15 percent larger this year than the small early lamb crop of 1937. Marketings of early spring lambs before July 1 will be materially larger than marketings in this period last year, but the increase may be about offset by smaller marketings of grass-fat yearling lambs from Texas.

Prices of fed woolled lambs, after declining in December and January, advanced in late February and early March, apparently as a result of a seasonal reduction in slaughter supplies of sheep and lambs. In early March, however, prices of slaughter lambs at Chicago were more than \$2 lower than those of a year earlier.

REVIEW OF RECENT DEVELOPMENTS

BACKGROUND.- Prices of slaughter lambs, after declining contra-seasonally in November, dropped further during December and January. Prices of fed woolled lambs at Chicago in January were more than \$2 lower than a year earlier, and were the lowest for the month since 1933. Although slaughter supplies of sheep and lambs increased seasonally in December and January, they were smaller than a year earlier. Weakness in consumer demand for meats, and lower prices for pelts and wool, apparently were the factors chiefly responsible for the lower lamb prices.

Lamb prices advance in late February and early March

After remaining relatively stable during the first 3 weeks of February, prices of fed, woolled lambs advanced fairly sharply in late February and early March, apparently as a result of seasonally reduced supplies. For the week ended March 12, prices of good and choice slaughter lambs at Chicago averaged \$9.20, nearly \$2 higher than in early February, but more than \$2 lower than in early March 1937. They also were somewhat lower than prices of good and choice feeder lambs, at Omaha, in September last year.

Slaughter supplies reduced seasonally

The number of sheep and lambs slaughtered under Federal inspection in February totaled 1,424,000 head. This was 8 percent smaller than the slaughter in January, but was about 8 percent larger than in February last year. Weekly data for 12 markets indicate that the seasonal reduction in receipts and slaughter of sheep and lambs, which usually occurs in early February, did not get under way until the third week of the month this year. A further reduction in market receipts occurred in early March. Although receipts increased during the second week of March, they were still somewhat smaller than those of a month earlier.

Inspected slaughter of 4,378,000 sheep and lambs in the first 3 months (December-February) of the current fed-lamb marketing season was 5 percent smaller than in the corresponding period a year earlier. Average live weights of sheep and lambs slaughtered during this period, however, were slightly heavier than those of a year ago, although the proportion of sheep in the total slaughter was smaller.

More sheep and lambs were shipped from the principal feeding areas of Colorado and from the Scottsbluff section of Nebraska during January and most of February this year than last. The number of lambs remaining in feed lots in northern Colorado, the Arkansas Valley, and the Scottsbluff section on March 5 totaled about 970,000 head, which was about 20 percent more than a year earlier and somewhat more than on the corresponding date 2 years ago.

Larger early spring lamb crop reported

The early spring lamb crop of 1938 in the principal early lambing States is at least 15 percent larger than the small early crop of 1937, according to recent reports received by the Bureau. The condition of the early lambs about March 1 was exceptionally good in all areas. Weather and feed conditions to March 1 were favorable in nearly all of the early lambing States - a sharp contrast with the situation in some of these States during the early months of 1937.

Present conditions indicate that the marketings of early lambs before July 1 will be materially larger than to that date last year, and that the average quality of the lambs marketed will be much better. Marketings before July 1 of grass-fat yearling lambs from Texas, however, are expected to be considerably smaller than the record large marketings of last year. A much larger-than-usual proportion of Texas lambs were sold as feeders last fall for feeding in Texas and other States.

In California, the most important early lamb State, and where the bulk of shipments of early lambs usually occurs from late April through May, the winter has been mild, and feed conditions have been exceptionally good. Similar conditions have prevailed in the other Pacific Coast States and in Idaho.

Feed and weather conditions in Texas have been favorable for the development of early lambs, and for the fattening of yearling lambs to be marketed grass-fat.

In the Southeastern States, where the winter also has been mild and feed supplies abundant, the proportion of ewes that had lambed by March 1 was about average for the area and was much larger than the unusually small proportion that had lambed by that date last year.

Stock sheep numbers reduced slightly in 1937

Although the number of sheep and lambs on feed January 1 for market was about 11 percent larger than on the same date in 1937, and the second largest on record, the number of stock sheep and lambs on farms was slightly smaller than a year earlier. Fewer stock sheep were reported in nearly all of the important western sheep States, except Texas and Wyoming.

In Texas, sheep numbers have increased sharply since about 1920. Stock sheep and lambs in that State on January 1, 1933 numbered about 9,100,000 head, 4 percent more than a year earlier, and nearly 20 percent of all such sheep and lambs on farms in the United States.

Stock sheep and lambs: Number on farms January 1, by geographic divisions, averages 1920-34, annual 1935-36

Year	: North : Atlantic	: North : Central	: South : Atlantic	: South : Central	: Western	: United : States
	: Thousands	: Thousands	: Thousands	: Thousands	: Thousands	: Thousands
Average,	:	:	:	:	:	:
1920-24.....	1,136	7,150	1,171	5,234	19,624	34,315
1925-29.....	1,062	7,926	1,199	6,346	21,952	38,485
1930-34.....	1,064	10,608	1,391	9,052	25,251	47,366
1935.....	958	11,108	1,305	9,233	24,030	46,634
1936.....	930	11,423	1,251	9,364	23,423	46,391
1937.....	929	11,078	1,172	10,320	23,052	47,051
1938 1/.....	904	11,142	1,169	11,286	22,296	46,797
1/ Preliminary.						

OUTLOOK

With the early spring lamb crop of 1938 reported to be at least 15 percent larger than that of 1937, and to be larger in nearly all of the early lambing areas, marketings of spring lambs from late April through June this year are expected to be considerably larger than a year ago. Increased marketings of new-crop lambs, however, may be about offset by smaller marketings of Texas grass-fat yearling lambs. Shipments of sheep and lambs from Texas, including shipments to Fort Worth, from April through June 1937 were unusually large. Such shipments totaled nearly 1,250,000 head in that period, compared with less than 500,000 head in the corresponding period of the previous year, and a 5-year (1931-35) average of about 600,000 head for the period.

Although total slaughter supplies of sheep and lambs during the spring months may be no larger than in the spring of 1937, consumer demand for meats will be considerably weaker, and prices of pelts will average considerably lower than a year ago, unless there is a very sharp upturn in industrial activity and employment. Hence, prices of new crop lambs also are likely to be lower this spring than last, when prices of good and choice spring lambs at Chicago averaged about \$12 per 100 pounds.

WOOL SITUATION 1/

Supplies of apparel wool in the United States at the beginning of the new domestic wool marketing season on April 1 will be larger than on that date in 1936 and 1937. And present indications are that world stocks of raw wool will be larger on April 1 than they have been since 1935. A loan program on wool by the Federal Government was recently approved by the Commodity Credit Corporation. The loans will be available to all producers and will be made at between 15 and 22 cents per pound on a grease basis at Boston.

Apparent supplies of wool in the five principal producing countries of the Southern Hemisphere on February 1 are estimated at 1.5 billion pounds, or 23 percent larger than on the same date last year, and 5 percent greater than on February 1, 1935, which also was a year of relatively large supplies.

The 1938 shorn wool clip in the United States may be slightly smaller than that of 1937 as the number of stock sheep on hand on January 1 was smaller than a year earlier. Total production of shorn and pulled wool in the United States in 1937 amounted to nearly 433 million pounds. This estimate includes 66 million pounds of pulled wool.

Trading in domestic wools continued light in February. Prices in the Boston market were irregular and further declines were reported on most wools during the month. Average prices for combing territory wools at Boston in February were about 40 percent lower than in February 1937. The movement of wool prices in foreign markets was irregular in January and February, but the general trend continued downward.

Consumption of apparel wool by United States mills in January showed no improvement from the low December level. The January consumption was more than 50 percent smaller than in January last year, and was smaller than in any month since September 1934. The large stocks of finished and semi-finished wool goods in the United States, which followed the large mill consumption in the first half of 1937, probably will be used up during the winter and spring. With inventories reduced, some improvement in mill consumption should occur during the first half of this year.

Imports of wool into the United States so far in 1938 have been negligible compared with the large imports in the early months of 1937.

1/ From the March issue of the Demand and Price Situation, a regular mid-month report of the Bureau of Agricultural Economics. For a more detailed discussion see the monthly Wool Situation, copies of which may be obtained on request to the Division of Economic Information, Bureau of Agricultural Economics, Washington, D. C.

Supplies of sheep and lambs, specified periods

Item	Unit	Year			Month		
		Average	1936	1937	Feb.	Jan.	Feb.
		1924-33			1924-33	1937	1938
Sheep and lambs:							
Number slaughtered							
under Federal	Thou-						
inspection <u>1/</u>	sands	14,737	17,216	17,270	1,086	1,315	1,552
Receipts at seven							
markets <u>2/</u>	do.	3/15,241	11,892	11,470	3/1,130	833	924
							823
		Year			Month		
		Average	1936	1937	Jan.	Dec.	Jan.
		1924-33			1924-33	1937	1938
Slaughter under							
Federal inspection:							
Lambs and yearlings-	Thou-						
Number slaughtered	sands	13,678	15,647	15,912	1,134	1,571	1,301
Percentage of total:							
sheep and lambs....	Percent	92.8	90.9	92.1	93.0	92.4	92.8
Sheep:	Thou-						
Number slaughtered	sands	1,059	1,569	1,358	85	129	102
Percentage of total							
sheep and lambs...	Percent	7.2	9.1	7.9	7.0	7.6	7.2
Sheep and lambs:							
Average live weight:	Pound	81	85	85	86	89	88
							90
Average dressed wt.	do.	39	40	40	40	41	41
							42
Total dressed wt.	Mil.lb.	569	680	683	49	70	58
							65

1/ Bureau of Animal Industry.2/ Chicago, Kansas City, Omaha, Denver, St. Joseph, Sioux City and St. Paul.3/ Average 1929-33.

Price per 100 pounds of sheep and lambs, by months, December to February
1935-36 to 1937-38

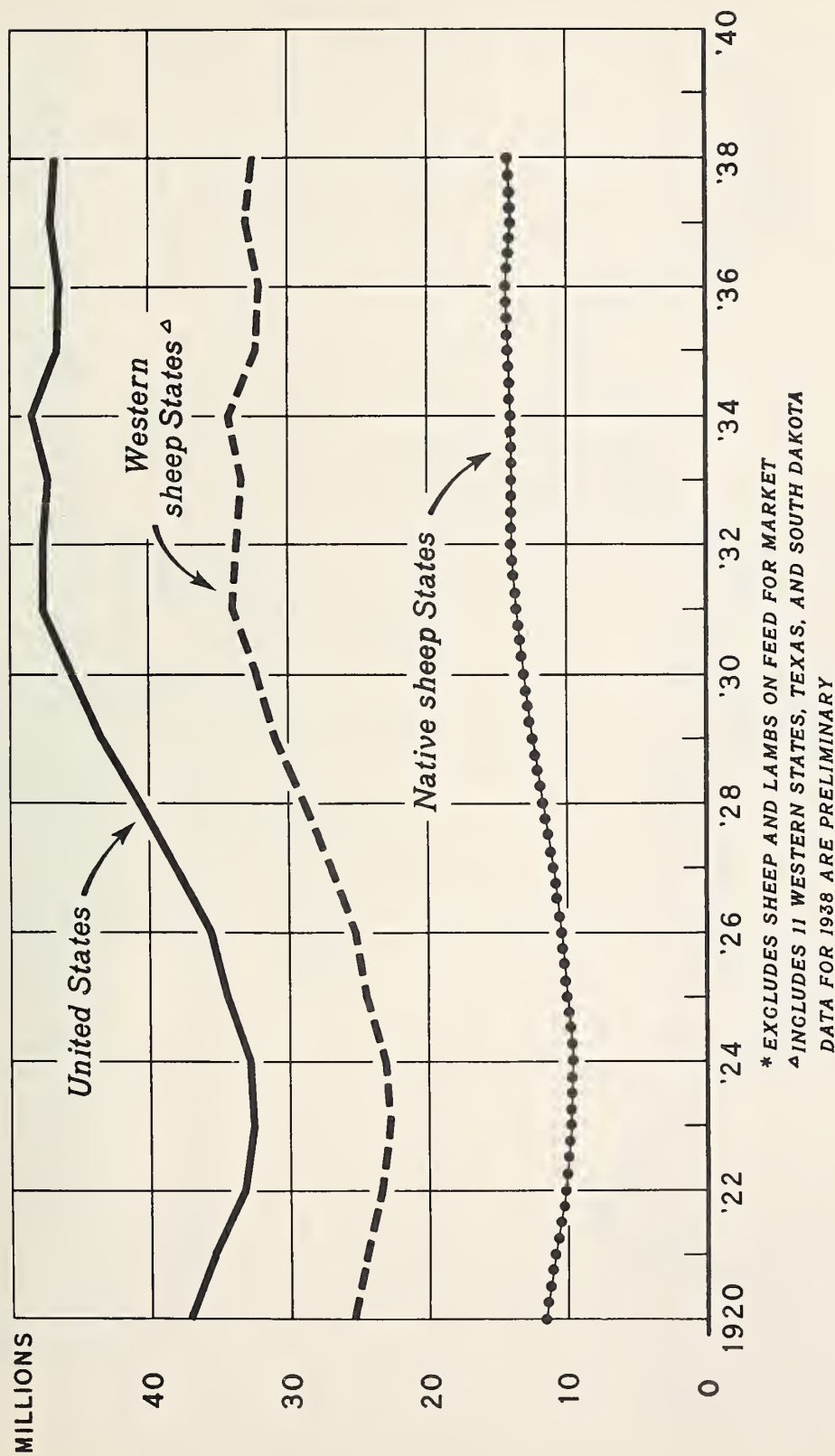
Item	1935-36			1936-37			1937-38		
	Dec.	Jan.	Feb.	Dec.	Jan.	Feb.	Dec.	Jan.	Feb.
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Slaughter lambs, Chicago:									
Good and Choice.....	10.92	10.48	10.00	8.87	10.29	10.33	8.70	8.02	7.46
Common and Medium	9.56	9.32	9.06	7.26	8.68	8.75	6.98	6.60	6.32
Slaughter ewes, Chicago:									
Good and Choice.....	4.75	4.82	4.61	4.10	5.24	5.52	3.85	3.94	3.89
Common and Medium.....	4.02	3.90	3.75	2.78	3.85	4.26	2.97	3.08	2.94
Feeding lambs, Omaha:									
Good and Choice.....	9.76	9.59	9.26	7.14	8.76	8.81	7.95	7.49	6.92
Average price paid by packers-									
Sheep and lambs	9.87	9.55	8.86	8.19	9.50	9.88	8.18	7.74	
Average price received by farmers-									
Sheep	4.21	4.34	4.29	3.85	4.24	4.45	3.86	3.67	3.61
Lambs	8.15	8.25	8.31	7.26	7.92	8.12	7.48	7.15	6.63
Lamb, New York:									
Wholesale carcass: <u>1/</u>									
Choice	19.94	18.98	17.06	14.20	16.02	16.78	19.58	17.62	15.90
Good	19.02	18.00	16.29	13.27	15.05	15.98	18.55	16.62	14.98
Medium	17.94	16.97	15.42	12.20	14.12	15.12	17.19	15.35	13.91
Pulled wool, Boston: <u>2/</u>									
Choice AA	91.5	95.2	98.9	107.6	118.6	120.0	79.9	77.8	71.4
Choice White B	78.5	80.3	82.0	95.1	104.2	103.5	61.5	60.5	56.2
Sheep pelts, packers shearlings, No. 1, Chicago:									
each <u>3/</u>	1.13	1.25	1.14	1.32	1.46	1.50	0.68	0.72	0.72

1/ Choice and Good, 38 pounds down; Medium, 38 pounds down, 1935-37, all weights in 1938.

2/ Cents per pound.

3/ Bureau of Labor Statistics.

STOCK SHEEP AND LAMBS*: NUMBER ON FARMS JANUARY 1, UNITED STATES, 1920-38



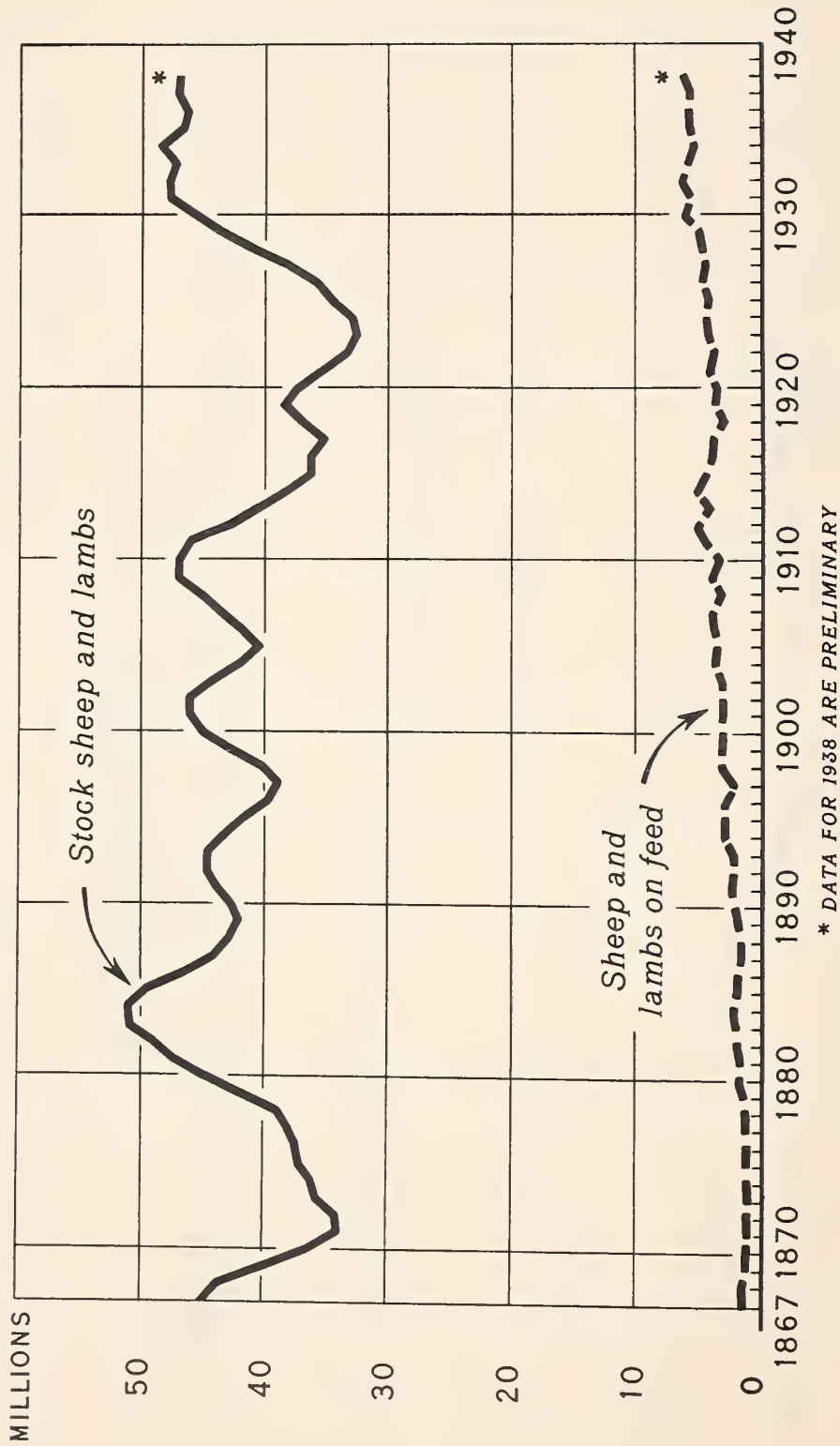
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FIGURE 1.-- ON JANUARY 1, 1923, THE NUMBER OF STOCK SHEEP AND LAMBS ON FARMS WAS THE SMALLEST IN 72 YEARS OF RECORD. NUMBERS INCREASED SHARPLY FROM 1923 TO 1931, PARTICULARLY IN THE WESTERN SHEEP STATES. THERE HAS BEEN A SLIGHT DECREASE IN THE WESTERN STATES SINCE JANUARY 1, 1934.

SHEEP AND LAMBS: NUMBER ON FARMS JANUARY 1, UNITED STATES, 1867-1938



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FIGURE 2.- THERE HAS BEEN NO PRONOUNCED LONG-TIME TREND IN THE NUMBER OF STOCK SHEEP ON FARMS IN THE UNITED STATES SINCE 1867. SINCE ABOUT 1880, HOWEVER, THERE HAS BEEN AN UPWARD TREND IN THE NUMBER OF SHEEP AND LAMBS ON FEED FOR MARKET. ON JANUARY 1, 1938, THE NUMBER OF SUCH SHEEP AND LAMBS AS 11 PERCENT LARGER THAN A YEAR EARLIER, AND WAS THE SECOND LARGEST ON RECORD.

